

CONSUMER PROTECTION

Protecting New Jerseyans Against Unfair Credit Practices

Today, New Jersey families face a growing problem of rising credit card debt, following a nationwide trend. In 2002, for example, the average American household had \$8,900 in credit card debt, up from \$3,200 just 10 years earlier. And for college students, the problem cannot be overstated. According to university administrators, colleges lose more students to credit card debt than to academic failure.

To fuel growth, credit card issuers have increased the number of solicitations sent to consumers 500 percent since 1990 to a record 5.23 billion in 2004. As a parent of two young adults, I have a huge stack of letters of “pre-approval” offering low “fixed rates” that are addressed to my daughter and son. Clearly, credit card companies are not paying attention to whom they are giving credit cards, much less if the applicant can afford to pay the balance.

We have also witnessed the predatory behavior of some credit card companies, including misleading advertising as well as abusive interest rates imposed on individuals who make just one late payment.

That is why I am introducing legislation that will stop some of the most egregious practices while also ensuring that future generations have the education to make fully informed financial decisions.

Credit Card Debt Protection for Young People

My proposal will protect young people, especially college students, against skyrocketing consumer debt and the barrage of credit card solicitations that lead to it. The proposal will:

- 1) Establish a “Do Not Mail” program, similar to the Do Not Call Registry, that would give consumers the choice about whether to receive credit card mailings at home or whether their children should receive them while they are away at school; and
- 2) Establish a financial literacy and education program in elementary and secondary schools to help prepare young people to be financially responsible consumers.

Protection Against Egregious Credit Card Practices

My proposal will also protect consumers against excessive fees and interest rates. It will:

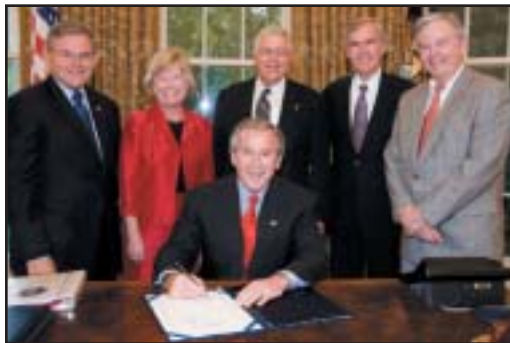
- 1) Prohibit “bait and switch” schemes in which a credit card company imposes excessive increases in interest rates for events completely unrelated to the payment history on that account;
- 2) Restrict excessive late fees; and
- 3) Tighten regulations on credit card companies to ensure that they are not offering credit to high-risk cardholders without verifying their ability to pay.

These initiatives should help ensure that our nation’s youth are given a fair chance at becoming responsible consumers who will enjoy economic security as well as economic opportunity in their futures.

Updates on My Recent Work in Congress

Patient Navigator Law

The **Patient Navigator, Outreach, and Chronic Disease Prevention Act**, which I authored, was signed into law in June. Being at the White House and having the president sign this legislation was an extremely proud moment. This new law will provide patients with an advocate at their side to help them navigate through today’s complicated health care system and improve access to prevention screening through year-round outreach and education.



Congressman Menendez attends the White House bill signing of his Patient Navigator Act, which was signed into law by President Bush in June. White House photo by Paul Morse.

Increased Funding for Amtrak

In June, the House of Representatives voted to increase Amtrak funding and retain its long-distance routes, both of which had been slated to be cut by the administration. I was one of the leaders of this effort, which was a tremendous victory for people who share my belief in the value of sustaining Amtrak, and a major defeat for those who want to drive it into bankruptcy.

Investment in Transit Security

The London subway and bus bombings in July served as another unfortunate reminder that public transportation is a prime target for terrorists. To help ensure our transit systems are fully prepared, I introduced the **Secure Transit and Railroads Across America in National Security Act** (Secure TRAINS Act). We cannot afford to wait until we are hit

with a London or Madrid-type attack to make the investment in transit security that we should have been making all along.

Loan Forgiveness for Public Servants

To help increase our pool of talented and qualified individuals that serve in critical shortage areas, such as child welfare, emergency response, nursing, and bilingual education, I introduced legislation to provide professionals in these fields with college loan forgiveness opportunities. During House Education Committee consideration in July, this proposal was included as an amendment to the Higher Education Act in the Committee passed bill. I am now working to secure this provision in the final bill that becomes law.

Congressman Bob Menendez

New Jersey Offices

911 Bergen Avenue
Jersey City, N.J. 07306
(201) 222-2828

263 Hobart Street
Perth Amboy, N.J. 08861
(732) 324-6212

654 Avenue C
Bayonne, N.J. 07002
(201) 823-2900

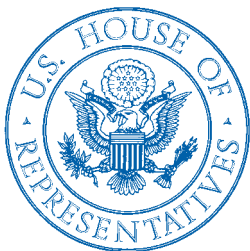
3109 Bergenline Avenue
2nd Floor
Union City, N.J. 07087
(201) 558-0800

Washington Office
2238 Rayburn Building
Washington, D.C. 20515
(202) 225-7919

website:
www.menendez.house.gov

Congress of the United States
U.S. House of Representatives
Washington, D.C. 20515

Official Business



Report to the People

This mailing was prepared, published, and mailed at taxpayer expense.

Congressman **ROBERT MENENDEZ** 13th Congressional District ~ New Jersey



Congress of the United States
House of Representatives
Washington, D.C.



Dear Friend,

Every day I have the privilege to serve as your representative brings new opportunities to ensure your voice is heard in Washington. Over the past several weeks, as our nation has struggled to deal with the effects of Hurricane Katrina, both on the lives of those who live along the Gulf Coast and on our national economy, I have fought to stand up for the values that I learned growing up in New Jersey: demanding accountability from all and creating opportunity for all.

Katrina’s effects were far-reaching and will impact our lives for years to come. We now know that, four years after the terrorist attacks of September 11, 2001, our nation is still not prepared to deal with a large-scale disaster. That is unacceptable, and as I explain in this newsletter, I will work to hold those who are responsible accountable and ensure our country is fully prepared to respond to future disasters.

I have been fighting to lessen Katrina’s effects on the high price of gasoline and home heating oil, which is so important here in New Jersey as winter approaches. In addition, I am working in Congress to ensure that our seniors and their families fully understand the new prescription drug program, consumers are protected from predatory credit practices, and all New Jerseyans are able to save for their retirement.

I hope you find this newsletter informative. If I may ever be of any assistance, please do not hesitate to contact me.

Sincerely,

Robert Menendez
Robert Menendez

Report to the People

Helping New Jerseyans Save for Retirement

I strongly believe that we must not only protect and strengthen Social Security in a bipartisan manner, but we must also create incentives to encourage retirement savings and protect the pensions of hard-working Americans. While the president and congressional Republicans have made partial Social Security privatization a top priority, I have been leading an effort with my Democratic colleagues to develop a comprehensive retirement security strategy to ensure that all New Jerseyans have a decent nest egg to live on when they retire.

But this proposal is not just about dollars and cents. It is about keeping a promise to Americans who work hard their entire lives and deserve the opportunity to retire with dignity, prosperity, and security. New Jersey families are already struggling to pay for exploding health care costs, rising college tuition, and skyrocketing gas prices at the pump, creating uncertainty from one month to the next. And that does not even begin to take into account what they need to put away for retirement 20 to 30 years down the road.

Another reason for the increased anxiety over retirement savings is the significant shift over the past 25 years from traditional pension plans, which were commonly provided and paid for by employers and guaranteed a fixed monthly retirement income for life. But today, only about 25 percent of working families are covered by such a plan. For those who are fortunate enough to still have private pensions, we must do everything we can to protect those pensions. The role of the federal government is to ensure that we are rewarding the work of those who spend a lifetime contributing to their community.

However, today 47 percent of working families are covered by "defined contribution" plans, like 401(k)s, which work more like a savings account and shift most of the contribu-

tions and risks to the worker rather than the employer. This shift away from employer-sponsored retirement plans is changing the "three-legged stool" of retirement – which

used to include Social Security, employer-sponsored pensions, and personal savings – into a two-legged ladder that is getting harder and harder for workers to climb on their own.

That is why I have been working on legislation, known as AmeriSave, which will make existing retirement savings options more attractive to New Jersey families and could open the door for 100 million Americans to start building their retirement nest egg. AmeriSave would increase retirement security by helping more workers save in their 401(k)s and IRAs. This plan would provide a dollar-for-dollar match for middle-class workers who save up to \$1000 per year, which would go directly into 401(k) plans or IRAs, essentially doubling what workers save for retirement.

bling what workers save for retirement.

Because many workers who take advantage of this match will be new to the complicated world of investment and savings, my proposal will provide workers with access to independent financial counselors to help them understand the importance of saving for retirement, as well as the investment options that are available. AmeriSave will also make it easier for workers to sign up for their company's 401(k) plan and the new AmeriSave match.

With today's working families struggling just to make ends meet each month and employers shifting away more of the retirement burden, it is no wonder workers are feeling more insecure about their retirement. That is why we must work to pass legislation like AmeriSave that rewards work, protects pensions, and helps level the playing field for New Jersey workers so they can climb the ladder to a secure retirement in their golden years.



Congressman Menendez unveils AmeriSave, a plan to help families build retirement security by expanding incentives to save and protecting pensions.

Understanding the New Prescription Drug Coverage

Starting January 1, 2006, Medicare will offer prescription drug coverage, known as Part D, through new private drug plans and through Medicare managed care plans (now called "Medicare Advantage" plans). While I opposed the law that created this program because I feel the drug benefit is inadequate and does not provide the full assistance beneficiaries need, I believe beneficiaries should be armed with as much information as possible to make the best decision about whether to join and, if so, which plan may best meet their needs. I hope the information below will be helpful to you or someone you know in making that decision.

Whether you are a senior, a person with a disability, or someone trying to help a parent or friend, I encourage you to carefully research the available options before making a choice. Most people have until May 15, 2006 to sign up for a plan before late enrollment penalties apply, so take your time, check your facts, and know your options. Deciding which Medicare prescription drug plan to enroll in depends upon what kind of coverage you have today.

Remember, if you do not enroll in the Medicare drug benefit during the initial enrollment period (November 15, 2005 – May 15, 2006), your premium may increase one percent for each month you delay your enrollment.

If you have prescription drug coverage through a retiree plan:

Check with your former employer about your options before doing anything. If you are satisfied with your current coverage and it is continuing, you should not have to do anything. Note: If you drop your employer or union health coverage, you may not be able to rejoin it later.

If you have a Managed Care plan:

Your plan should send you information about your options in October. If you want to stay with your current plan and it

offers a prescription drug plan, you may enroll. If you do not want to remain in that plan, you may either enroll in a different Medicare Managed Care plan or return to traditional Medicare and select a private drug plan.

If you are a Senior Gold participant and receive Medicare benefits:

New Jersey is encouraging Senior Gold participants to sign up for the Medicare drug benefit. The Senior Gold program will not be discontinued, but if you do not enroll in a plan by May 15, 2006, your premium will increase.

If you are a New Jersey Pharmaceutical Assistance to the Aged and Disabled (PAAD) beneficiary and receive Medicare benefits:

The Medicare drug coverage will become your primary coverage and PAAD will be your secondary coverage. To continue to use your PAAD benefits, you must enroll in a drug plan that offers the new Medicare Prescription Drug Coverage in New Jersey. In addition, some PAAD participants may qualify for the low-income Medicare prescription drug subsidy. Those individuals should apply for the extra subsidy before picking a plan.

If you are a Medicare and Medicaid beneficiary, also known as a dual-eligible:

Your Medicaid coverage ends on December 31, 2005, and you must sign up for a new drug plan. If you fail to do so, then you will be automatically enrolled into a plan at random,

although you will be able to switch to another plan on a monthly basis.

If you currently do not have prescription drug coverage:

Evaluate your needs and investigate your options, but remember monthly premiums will be higher if you do not enroll by May 15, 2006. You will also want to determine if you are eligible for limited income assistance.

Important Dates to Remember

October 1, 2005
Information on drug plans is sent out to beneficiaries.

November 15, 2005
Enrollment period for Medicare Drug Benefit (Part D) begins.

December 31, 2005
Last day to enroll for coverage that will begin on January 1, 2006.

January 1, 2006
Coverage begins for beneficiaries who enrolled by December 31, 2005.

May 15, 2006
Last day to enroll in a Medicare drug plan without incurring a 1% per month premium surcharge and last day to enroll to receive any benefits in 2006.

November 15, 2006
Open enrollment period begins for the 2007 Medicare Drug Benefit (Part D). This is also the first opportunity for those who enrolled in a Medicare drug plan for 2006 to switch plans if they wish.

Ensuring Our Nation's Preparedness and Response

Over the past several weeks, our brothers and sisters along the Gulf Coast have faced a disaster of unprecedented proportions. Americans watched with horror as millions saw their lives devastated first by Hurricane Katrina, then by the flooding it caused, and finally by a federal response that was as late as it was inadequate.

In New Orleans, the most vulnerable members of our society faced horrible situations and many of them were forced to face it alone. Our government let those people down, both in the years before the hurricane and in the days after it hit.

Unfortunately, the federal officials in charge of that response have refused to accept any responsibility for the tragedy that unfolded along the Gulf Coast. Cabinet members have come before Congress and described a picture perfect response, as if aid was delivered on time and no one had to wait to be rescued. But those who saw the disaster unfold on television know the difference between rhetoric and reality. The sad yet unmistakable truth is that the federal government failed the people of the Gulf Coast.

Strengthening Our Response for the Future

This is not a time for finger pointing, but neither is it a time to stick our heads in the sand and pretend that the government has performed admirably. As the recovery process continues and the rebuilding process begins, we need to examine what went wrong and develop reforms to prevent such a disgrace from ever occurring again. People's lives are at stake and we simply cannot afford any more mistakes.

That is why I introduced legislation to establish an independent, bipartisan commission modeled after the successful 9/11 Commission to investigate the government's response to Hurricane Katrina and make recommendations for reforming the nation's disaster response system. The **Katrina Commission** would have full authority to question government officials, examine government documents, and hold public hearings.

Despite overwhelming public support, it took months to



Congressman Menendez calls for an independent, bipartisan commission to investigate the federal response to Hurricane Katrina.

Photo provided by the Minority Leader, Nancy Pelosi.

overcome White House opposition and establish the 9/11 Commission. Today, there is unanimous agreement that the Commission had the courage to ask the tough questions that Congress did not and that it developed reforms that if implemented would make our nation safer today.

Congress has already appropriated billions of dollars to respond to the disaster along the Gulf Coast, and I promise to do everything in my power to help rebuild the lives of those who have lost everything. That must be our first priority. But we must also learn from the mistakes of Katrina, and use that experience to ensure that we are better prepared in the future, both for natural disasters and for terrorist attacks – which we know could come at any moment and without any warning. In the months to come, I will continue to work on your behalf to better secure the lives of all Americans.

Helpful Medicare Resources

- ▲ **Medicare:** 1-800-MEDICARE (633-4227) or www.medicare.gov
- ▲ **Social Security Administration:** 1-800-772-1213 or www.ssa.gov/prescriptionhelp
- ▲ **24-hour PAAD and Senior Gold Hotline:** 1-800-792-9745
- ▲ **Senior Gold:** www.njsrgold.gov
- ▲ **PAAD:** www.njpaad.gov

Have the following personal information when you call:

- ▲ Medicare identification number (on your Medicare card).
- ▲ Drugs you currently take, the dosage, and what you pay for the prescription.
- ▲ Your refill schedule and preferred method of receiving prescriptions (at the pharmacy or via mail-order).
- ▲ Your annual income, and a basic accounting of your personal assets in case you qualify for low-income assistance.